

**Table 7.****Medicare Spending: Breaux Proposal, NonTraditional Estimate (FFS slows) (Current Law Baseline = Trustees Intermediate)**

(by selected calendar year)

	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015	2020	2025	2030
<b>Medicare Spending as a Percent of GDP</b>													
Trustees Intermediate Baseline	0.7	1.0	1.3	1.7	1.9	2.5	2.7	3.1	3.7	4.4	5.0	5.7	6.3
Breaux Proposal	0.7	1.0	1.3	1.7	1.9	2.5	2.7	3.0	3.3	3.8	4.1	4.4	4.6
<b>Medicare Spending as a Percent of Payroll \1</b>													
Trustees Intermediate Baseline	1	2	3	4	4	5	6	6	8	9	10	12	13
Breaux Proposal	1	2	3	4	4	5	6	6	7	8	8	9	9
<b>Medicare Spending as a Percent of the Federal Budget \2</b>													
Trustees Intermediate Baseline	3	5	6	8	9	11	12	14	16	19	22	25	28
Breaux Proposal	3	5	6	8	9	11	12	13	15	17	18	19	21
<b>Medicare Spending in Billions of Dollars</b>													
Trustees Intermediate Baseline	7	15	36	70	108	180	247	363	536	801	1,148	1,611	2,212
Breaux Proposal	7	15	36	70	108	180	247	347	485	688	938	1,239	1,625
<b>Average Annual Growth in Spending from Previous Year Shown</b>													
Trustees Intermediate Baseline		16.7	18.1	14.5	9.0	10.8	6.5	8.0	8.1	8.4	7.5	7.0	6.6
Breaux Proposal		16.7	18.1	14.5	9.0	10.8	6.5	7.1	6.9	7.2	6.4	5.7	5.6
<b>Average Annual Growth in Spending Above the Impact of Demographics (from Previous Year Shown)</b>													
Trustees Intermediate Baseline		8.2	14.7	11.8	6.8	8.5	4.8	6.4	6.3	6.0	4.9	4.3	4.2
Breaux Proposal		8.2	14.7	11.8	6.8	8.5	4.8	5.4	5.1	4.9	3.8	3.0	3.2
<b>Memorandum: Monthly Part B Premium (as a percent of enrollees' average income) \3</b>													
Trustees Intermediate Baseline						3	4	5	6	7	7	7	7
Breaux Proposal						3	4	5	5	5	5	5	5

Source: Medicare Commission Staff.

Notes: Trustees Intermediate scenario based on Congressional Budget Office (January 1998), using Trustees' Intermediate (1997) assumptions.

Small slowdown in growth of FFS spending attributable to management tools given HCFA and/or Congressional action.

1. Total Medicare spending as a percent of wage and salary disbursements. Under current law, Part A of Medicare is funded by a 2.9 percent payroll tax.
2. Medicare spending net of premiums as a percent of federal receipts.
3. Assumes enrollees' average income rises at the same rate as per capita GDP.